

19. Royal Statistical Society

19.1 Aims and policies

The Royal Statistical Society (RSS) is a small professional organisation with about 10,000 members. The society was formed in 1834. [1] Membership is open to anyone and there are four categories of individual membership (fellow, professional, teacher and student). [2]

Statement of purpose and values

The society's vision, strategic objectives and objectives are stated in a recent annual report. [1] They are as follows.

"The vision of the Royal Statistical Society (RSS) is 'A world where data are at the heart of understanding and decision making'."

"To help achieve this vision we structure our work around six strategic goals outlined below. The first four of these are outward facing and demonstrate our charitable activity. The last two are more internal / governance/ goals to support the achievement of the four external impact goals.

- 1. For statistics to be used effectively in the public interest, so that policy formulation and decision making are informed by evidence for the good of society.*
- 2. For society to be more statistically literate, so that people's understanding of data, risk and probability can inform their daily decision making, leading to better outcomes.*
- 3. For a strong body of professional statisticians to maintain and develop the skills they need so that they can critically apply methodology, interpret results and communicate findings.*
- 4. For statistics as a discipline to thrive, so that methodology is advanced, applied and made accessible, leading to greater understanding of an increasingly complex world.*
- 5. For an engaged and energised membership and staff to work collaboratively with partner organisations and other stakeholders in meeting these goals, so that the Society can maximise its impact.*
- 6. For the RSS to be a financially sustainable and well run organisation, with effective governance and use of technology, so that it will grow in relevance, exert influence and wider impact."*

"These strategic goals are to fulfil the Society's charitable objectives as set out in its Royal Charter:

- (i) To foster and encourage the growth, development and application of statistical science in all areas of activity which can benefit from it.*
- (ii) To establish, uphold and advance high standards of statistical competence.*
- (iii) To foster the production and publication of statistics on aspects of society.*
- (iv) To serve the public interest by acting in an advisory, consultative or representative capacity in matters relating to the science of statistics and its application.*
- (v) To promote the public understanding of statistics and the competent use and interpretation of statistics."*

Environmental policy

The RSS has a number of policies and activities that deal with environmental issues. For example, the Code of Conduct for the society's fellows states that they "should always be aware of their overriding responsibility to the public good; including public health, safety and environment." [3] The RSS also has an environmental statistics section, whose aims include acting "as a national focus for statisticians involved in environmental work." [4] However, we could not find an overarching environmental policy covering the society's activities among its publicly available documents.

19.2 Investments

Size and location of funds

The RSS held investments totalling about £1.7 million, according to a recent annual report. [5] Its financial statements listed all investments that represented over 5% of the value of the full portfolio, and these are summarised in table 19.1. The society's investments were managed by Cazenove Capital Management.

<i>Investment fund</i>	<i>Amount in investment fund^a (£)</i>	<i>% of total investments</i>
Growth Trust for Charities	157,000	9.0
Equity Income Trust for Charities	494,000	28.4
M&G Investment MAN Global Dividend 1 INC	96,000	5.5
Schroder UK Corporate Bond Fund C INC	112,000	6.6
Charities Property Fund	118,000	10.8
<i>Total</i>	<i>1,050,000</i>	<i>60.4</i>

Table 19.1 – Investments by fund held by the RSS [5]

Of the five funds listed in table 19.1, we were able to obtain data on four of them. Financial breakdowns of these four are given in tables 19.2a-d, based on data listed publicly on the asset management companies' websites.

^a All figures are rounded to the nearest thousand.

<i>Asset name</i>	<i>% of fund total</i>
HSBC Holdings	7.5
Royal Dutch Shell [F]^b	7.5
GlaxoSmithKline	5.3
Vodafone Group	5.1
Schroder UK Dynamic Smaller Companies Fund	5.0
BP [F]	4.7
Diageo	4.0
AstraZeneca	3.9
Rio Tinto [F]	3.2
BT Group	3.2
<i>Total</i>	<i>49.4</i>

Table 19.2a – The top 10 holdings of the Growth Trust for Charities^c [6]

The Growth Trust for Charities had one ethical restriction: investment in the tobacco industry was specifically excluded.

<i>Asset name</i>	<i>% of fund total</i>
Royal Dutch Shell [F]	7.1
HSBC Holdings	7.1
BP [F]	5.9
GlaxoSmithKline	5.3
Vodafone Group	4.5
Lloyds Banking Group	4.0
Rio Tinto Basic [F]	3.6
National Grid	3.4
BT Group	3.2
Aviva	3.1
<i>Total</i>	<i>47.2</i>

Table 19.2b – The top 10 holdings of the Equity Income Trust for Charities [7]

The Equity Income Trust for Charities also excluded investments in the tobacco industry.

^b [A] indicates companies which, in this report, are categorised as being part of the arms industry. [F] indicates companies which, in this report, are categorised as being part of the fossil fuel industry.

^c The Growth Trust for Charities was closed as of 31/03/17. The information in table 19.2a is from the 2015 4th quarter report, the most recent available.

<i>Asset name</i>	<i>% of fund total</i>
Methanex	7.7
BAT (British American Tobacco)	7.0
Gibson Energy [F]	4.5
Las Vegas Sands	4.4
Wells Fargo	4.0
Broadcom	3.9
Imperial Brands	3.8
Microsoft	3.7
Pembina Pipeline [F]	3.7
Arthur J Gallagher	3.7
<i>Total</i>	<i>46.4</i>

Table 19.2c – The top 10 holdings of the M&G Global Dividend Fund [8]

Pembina Pipeline is an especially controversial fossil fuel corporation because of its heavy involvement in ‘tar sands’ projects in Canada.^d

<i>Asset name / details</i>	<i>% of fund total</i>
United Kingdom / Gilt Bond 4.25% 07/03/2036	2.6
Morgan Stanley / 2.625% 09/03/2027	1.9
AT&T / 7% 30/04/2040	1.7
AXA / 5.625% 16/01/2054	1.5
Digital Stout Holding / 4.25% 17/01/2025	1.5
National Grid Gas [F] / Finance 2.75% 22/09/2046	1.4
Bank of Scotland / 7.281% 29/05/2049	1.3
E.ON [F] / International Finance 6.75% 27/01/2039	1.3
Orange / 5.375% 22/11/2050	1.3
Electricite de France (EDF) / 5.5% 17/10/2041	1.3
<i>Total</i>	<i>15.8</i>

Table 19.2d – Top 10 holdings of the Schroder UK Corporate Bond Fund [9]

The fifth fund listed in table 19.1 – the Charities Property Fund – did not hold equities or bonds but instead held commercial property. While the fund manager stated that it could not adopt a specific ethical policy, it also said [10] that:

“we remain sensitive to the need to maximise returns while not investing in properties whose tenants could potentially cause embarrassment to our unitholders. These would include companies whose primary business is the production or sale of tobacco, arms, pornography or involved in animal testing.”

So, while the fund had no investments in corporations whose main business was arms production, there was no specific exclusion of businesses that were part of the fossil fuel industry. Indeed, the fund’s portfolio did list a number of petrol filling stations whose

^d See appendix 21.

tenants were companies such as **BP [F]** and **Esso [F]** (subsidiary of **ExxonMobil [F]**).

We also note that in the latest set of accounts published at the time of writing, [1] this percentage of 'known' investments had fallen to zero because a list of investment funds had not been included in those accounts.

In summary, of the society's total investments of approximately £1.7m, we discovered detailed data on, at most, about 21%. Of those 'known' investments, we calculated that approximately 31% were invested in the fossil fuel sector and 0% in the arms sector. We also discovered that one other fund used by the society had no investments in companies producing arms. However, it was especially difficult to draw conclusions about whether the estimates for the arms sector were representative as these corporations tend to be smaller than those in other key sectors, such as energy, finance or communications, and hence do not appear so frequently in the lists of 'top' assets used as a basis for our calculations.

General investment policy

The society's investment policy was stated [5] in a recent annual report as follows.

"The Society has an investment strategy which aims to grow the capital in the portfolio and produce an income of 3%-4% per annum.

The primary objective is the preservation of assets in real terms. The secondary objective is the enhancement of assets in real terms. Total return (i.e. capital gains plus income) is measured to monitor progress relative to these objectives. Cazenove [Cazenove Capital Management] manages the Society's investments based on the strategy and reports regularly to the Honorary Treasurer and the Audit and Risk Committee. The Society's cash flow is monitored by the finance team on a monthly basis."

Ethical investment policy

In response to our inquiry about investments in 2017, the Royal Statistical Society responded, saying that they did not currently have an ethical investment policy. However, the creation of one may be considered "but there has been little pressure from our members or elsewhere to do so." [11] Nevertheless, in November 2018, following internal discussions, the RSS council approved a change to its investment policy so that "between 5% and 15% of RSS assets" would in future be invested "in global sustainable equities". [12] So, while the society does not exclude the fossil fuel or arms industries from its investment portfolio, it is trying to increase the proportion of its investments held in environmentally-conscious companies.

19.3 School education programmes

The Royal Statistical Society runs a number of education programmes, with one focus being an improvement in the use of statistics by teachers. [13] There are a number of activities and resources that are particularly relevant to schools.

The 'RSS William Guy Lecture' is an annual programme of lectures on statistics aimed at

school pupils. [14] They are given at a variety of different places, such as schools, science fairs and festivals, and universities. The programme does not appear to receive any sponsorship from external organisations.

The society gives support to teachers through the free ‘e-Teacher membership’ and through its involvement in the ‘Global Learning Programme’ (GLP). [15] The GLP is funded by the government and involves many partners such as schools, universities, charities and education companies.

The RSS website provides downloadable resources – notably ‘Hands-on statistics’ and ‘Your career today’ [16] – which enable teachers and RSS members to run interactive activities for school-age children. The website also promotes a number of education activities run by external organisations, such as STEM Ambassadors.

We found no evidence that any of the education programmes run by the RSS involve any corporations from the fossil fuel or arms sectors.

19.4 Events and sponsorship

The RSS runs numerous events each year. [17] Few of these appear to be sponsored by external organisations, the one important exception being the society’s annual conference.

A number of different sponsorship packages have been offered for the RSS Annual Conference. For example, for the 2017 event, the prices ranged from £10,000 for (one of three) headline sponsors down to £200 for prizes. [18] We were able to obtain a list of sponsors for the 2015 conference, which is given in table 19.3. None of the event’s sponsors were part of either the arms or fossil fuel industries.

<i>Category</i>	<i>Sponsor (2015)</i>
Headline sponsors	ATASS
Young Statisticians’ Quiz Night	ATASS
Statistical Analytics Challenge	Select Statistics
Best poster presentations	Springer, Wiley, Taylor & Francis
Exhibitors	ScraperWiki, Wiley, Royal Statistical Society, Datakind, Statistics User Forum, Oxford University Press, Taylor & Francis/CRC Press, Sage Publications, Office for National Statistics, Cambridge University Press, ATASS Sports

Table 19.3 – Sponsors of a recent RSS annual conference [19]

19.5 Corporate membership

The RSS offers a corporate membership scheme where ‘corporate partners’ can cover the costs of their employees joining the society as individual members. These partners are given a “generous discount on our corporate schemes” and the RSS asks in return “that our partners help us to promote and grow our membership base”. [20] We were unable to find a publicly available list of the society’s corporate members.

19.6 Other corporate links

Significance is the magazine of both the Royal Statistical Society and the American Statistical Association. It is aimed at both members and public audiences, and is published by Wiley. The magazine does include advertisements. Our brief survey of several recent issues found that a small number of advertisements were included, but that none were from companies which were part of the fossil fuel or arms industries.

19.7 Overall assessment

Reviewing the information in this case study, we have given the Royal Statistical Society the assessment as shown in tables 19.4a and b.

	<i>Investments</i>	<i>School education programmes</i>	<i>Events</i>	<i>Other</i>
Involvement with arms corporations	Low	None	None	-
Involvement with fossil fuel corporations	Very high	None	None	-

Table 19.4a – Corporate involvement ratings for the Royal Statistical Society

	<i>Ethical issues covered in this study</i>
Positives	<ul style="list-style-type: none"> • No financial links with fossil fuel industry in school education programmes or events • No financial links with arms industry in school education programmes or events • New policy aims to increase the proportion of investments in environmentally-conscious companies • One of its investment funds excludes arms corporations
Negatives	<ul style="list-style-type: none"> • Very high proportion of its investments held in fossil fuel industry • Investments in arms companies likely • Transparency of investments variable

Table 19.4b – Positives and negatives for the Royal Statistical Society

The RSS revealed a greater level of data about its investments than most of its comparators in this study. However, we were still only able to access detail on less than a third of its investments – and no detailed breakdown was provided within its latest set of annual accounts – which highlights the need for professional engineering and science organisations as a whole to be more transparent in this area. We were able to access relevant information about the society’s events, school education programmes and members’ magazine. However, we found no publicly available list of its corporate members.

The society did provide information on issues related to its ethical investment practices.

One of the five main funds it used did exclude arms companies. Also, the society recently agreed a new policy to increase its investments in environmentally-conscious businesses. Regarding environment issues more generally, while some of the society's activities and policies did take account of these matters, the organisation lacked an overarching environmental policy statement.

We found no evidence of financial links between the RSS and the arms industry in the society's school education programmes, events or members' magazine. We also found no evidence of investments by the society in the sector. However, the lack of an ethical investment policy, coupled with a limited amount of publicly available data on its investment funds, meant that significant links to the arms industry were still likely to be present. It was nevertheless encouraging that one of the investments funds used by the society excluded companies producing arms.

We also found no evidence of financial links between the RSS and the fossil fuel industry in the society's school education programmes, events or members' magazine. However, of the investments on which we were able to find data, nearly one-third were in companies that were part of the fossil fuel sector. We considered that this was a very high level. However, this could fall with the implementation of the society's new investment policy.

References

- [1] Royal Statistical Society, "Report and financial statements, for the year ended 31 December 2018," 2019. [Online]. Available: <http://www.rss.org.uk/Images/PDF/about/2019/FINAL-2018-ANNUAL-REPORT.pdf>. [Accessed 30 08 2019].
- [2] Royal Statistical Society, "Membership categories," 2019. [Online]. Available: http://www.rss.org.uk/RSS/Join_the_RSS/Membership_categories/RSS/Join_the_RSS/Membership_categories.aspx. [Accessed 18 01 2019].
- [3] Royal Statistical Society, "Code of Conduct," 2014. [Online]. Available: <http://www.rss.org.uk/Images/PDF/join-us/RSS-Code-of-Conduct-2014.pdf>. [Accessed 26 09 2018].
- [4] Royal Statistical Society, "Environmental Statistics Section," 2018. [Online]. Available: http://www.rss.org.uk/RSS/Get_involved/Sections_and_study_groups/Environmental_Statistics_Section/RSS/Get_involved/Sections/Environmental_Statistics_Section.aspx?hkey=5e8ff1d8-bb16-4463-b303-68e1fb102757. [Accessed 26 09 2018].
- [5] Royal Statistical Society, "Report and financial statements, for the year ended 31 December 2015," 2016. [Online]. Available: <http://www.rss.org.uk/Images/PDF/about/2016/RSS-report-and-financial-statement2015.pdf>. [Accessed 18 04 2017].
- [6] Schroders, "The Growth Trust for Charities," 31 12 2015. [Online]. Available: <http://www.schroders.com/getfunddocument?oid=1.9.1814984>. [Accessed 18 04 2017].
- [7] Cazenove Capital Management, "Equity Income Trust for Charities," 30 12 2016. [Online]. Available: <http://www.cazenovecapital.com/sysglobalassets/wmmediaassets/uk/charities/docume>

- nts/fund-literature/ukcharity-equity-income-trust-for-charities-a-inc-fqr-uken.pdf. [Accessed 18 04 2017].
- [8] M&G Investments, "M&G Global Dividend Fund," 31 03 2017. [Online]. Available: http://docs.mandg.com/MR/MandG-Global-Dividend-Fund_Factsheet_GBP_A_UK_UK_ENG.pdf. [Accessed 18 04 2017].
- [9] Schroder, "Schroder UK Corporate Bond Fund GBP," 31 03 2017. [Online]. Available: <http://www.schroders.com/en/uk/asset-manager/fund-centre/prices-and-performance/?p=details&sc=6170>. [Accessed 21 04 2017].
- [10] Charities Property Fund, "FAQs," 2017. [Online]. Available: <http://www.cpfund.co.uk/about/faqs>. [Accessed 2017 04 19].
- [11] Royal Statistical Society, "Email to Scientists for Global Responsibility," 08 03 2017.
- [12] Royal Statistical Society, "Council minutes," 11 2019.
- [13] Royal Statistical Society, "Education," 2017. [Online]. Available: http://www.rss.org.uk/RSS/Influencing_Change/Education/RSS/Influencing_Change/Education.aspx. [Accessed 07 2017].
- [14] Royal Statistical Society, "RSS William Guy Lecture," 2018. [Online]. Available: http://www.rss.org.uk/RSS/Get_involved/Support_school_education/RSS_William_Guy_lecturer/RSS/Influencing_Change/Education_sub/Teaching_resources_sub/Guy_lecture.aspx?hkey=646f7b91-43b5-412d-ad78-839f57790b0c. [Accessed 26 09 2018].
- [15] Royal Statistical Society, "Supporting teaching," 2017. [Online]. Available: http://www.rss.org.uk/RSS/Influencing_Change/Education/Supporting_teaching/RSS/Influencing_Change/Education_sub/Support_teaching.aspx. [Accessed 20 04 2017].
- [16] Royal Statistical Society, "Promote statistical careers," 2018. [Online]. Available: http://www.rss.org.uk/RSS/Get_involved/Promote_statistical_careers/RSS/Get_involved/Promote_statistical_careers.aspx?hkey=d3ba64c6-e711-4337-9f6e-a25c1c7d60a0. [Accessed 26 09 2018].
- [17] Royal Statistical Society, "StatsLife events calendar," 2018. [Online]. Available: <https://www.statlife.org.uk/events/events-calendar>. [Accessed 25 09 2018].
- [18] Royal Statistical Society, "Sponsorship opportunities," 2017. [Online]. Available: https://events.rss.org.uk/rss/frontend/reg/tOtherPage.csp?pageID=27794&ef_sel_menu=667&eventID=93&eventID=93. [Accessed 21 04 2017].
- [19] Royal Statistical Society, "RSS International Conference 2015 - conference directory," 2015. [Online]. Available: <https://www.rss.org.uk/Images/PDF/events/2016/2016-conference-directory.pdf>. [Accessed 26 11 2018].
- [20] Royal Statistical Society, "RSS Corporate membership," 2017. [Online]. Available: http://www.rss.org.uk/RSS/Join_the_RSS/RSS_Corporate_membership/RSS/Join_the_RS/RSS_Corporate_membership.aspx. [Accessed 24 04 2017].